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THE COMMONWEALTH OF MASSACHUSETTS
DIVISION OF EMPLOYMENT AND TRAINING

RECEIVED
DOCUMENTS COLLECTION

WILLIAM F. WELD
GOVERNOR

ARGEO PAUL CELLUCCI
LIEUTENANT GOVERNOR

ANGELO BUONOPANE
DIRECTOR, DEPARTMENT OF
LABOR AND WORKFORCE DEVELOPMENT

NILS L. NORDBERG
DEPUTY DIRECTOR

OFFICE OF THE DEPUTY DIRECTOR

October 21, 1996

Dear Employer:

The Work Opportunity Tax Credit (WOTC) Program was created by the Small Business Job Protection Act (Public Law 104-188). It is a federally funded program which is used to reduce the federal tax liability of private-for-profit employers who hire new employees from select "targeted" groups.

The maximum credit available is $2,100 per eligible worker, based on 35 percent of up to $6,000 in qualified wages during the first year. In addition, the worker must be retained in employment for 180 days or 400 hours during that year. The exact amount of net savings depends upon each employer's tax bracket and the qualified wages paid. The Internal Revenue Service publishes information on filing for the WOTC tax credit in its General Business Credit publication.

Qualified summer youth employees must be employed between May 1 and September 15. Due to this shortened employment period, the maximum credit available is $1,050 per eligible worker, based on 35 percent of up to $3,000 in qualified wages, with a 20 day or 120 hour minimum retention requirement.

To apply for WOTC certification in Massachusetts, the employer should mail all pertinent information detailed below to the WOTC Central Unit located at 19 Staniford St., 2nd Floor, Boston, MA 02114. Once all of the required information has been received by our office, an eligibility determination will be made and a certification or denial will be issued.

HOW DOES AN EMPLOYER USE WOTC?

Before a hiring decision is made (i.e., while interviewing potential jobs applicants), an employer should use the IRS approved "Pre-Screening Notice" IRS (PSN 8850) and ETA Characteristics Form 8469 to determine potential eligibility of the job applicant. Applicants must be screened for WOTC before the employer makes an offer of employment.

Should the employer decide to hire someone who is WOTC eligible, the so noted forms should be sent to the WOTC Central Unit, following the offer of employment to the individual. The employer has 21 days after the employee's start date to forward these forms. Copies of the IRS (PSN 8850) and ETA Characteristics Form 8469 may be obtained through the WOTC Unit.

SCREENING FOR ELIGIBILITY AND APPLYING FOR CERTIFICATION

Using the completed IRS (PSN 8850) and ETA Characteristics 8469 Form, the employer determines whether the employee fits into one of these target groups:

- qualified Transitional Assistance for Families with Dependent Children (TAFDC) Recipient
- qualified veteran
- qualified ex-felon
- high-risk youth
- vocational rehabilitation referral
- qualified summer youth employee, or
- qualified food stamp recipient

If the employer believes that the applicant fits into a target group and the employer makes an offer of employment, the 8850 and 8469 Forms must be mailed to the WOTC Central Unit before; or not later than 21 days after the employee's start date. Although supporting documentation to determine target eligibility should not be submitted with Forms 8850 and 8469, it is strongly recommended that the employer or employer's representative collect and maintain this data, which will be required for audit in the event of employer selection by DET during its monthly 10% sampling of certified WOTC tax credits and/or IRS review.

Pre-Screening Notice (PSN Form 8850) and ETA Characteristics Form 8469 are to be completed and mailed to:

Division of Employment & Training
WOTC Unit, 2nd Floor
19 Staniford Street
Boston, MA 02114

If you need additional information, please contact Roger Direng, Project Manager, at (617) 626-5353.

Sincerely,

Nils L. Nordberg

DIVISION OF EMPLOYMENT AND TRAINING

19 Staniford St. 2nd Fl. WOTC Unit Boston, MA 02114

WORK OPPORTUNITY TAX CREDIT (WOTC)

OVERVIEW The new minimum wage bill includes a Work Opportunity Tax Credit (WOTC) designed to replace the Targeted Jo Tax Credit which expired 12/31/94. WOTC provides employers with a tax credit of up to $2,100 for each new qualified hire when t process outlined below is followed during the selection and hiring process. The following outlines the key provisions of the bill.

Group	Eligible Groups	Age	Income Measures	Other Characteristics
A	Qualified IV-A (TAFDC) Recipient	N/A	I am a family member that received Transitional Assistance for Families with Dependent Children (TAFDC) or any successor program for at least a 9-month period within the last 18 months ending on the hire date.	NONE
B	Qualified Veteran	N/A	I am a veteran and am a member of a family that has received: • Assistance from TAFDC or a successor program for at least a 9-month period within the last 21-months ending on the hire date, OR • Food Stamps for at least a 3-month period within the last 15-months ending on the hire date.	Any Veteran with 180 days OR released with a service disconnected disability and not having any day during the 60 day period ending on the hiring date, which was a day of extended active duty in the Armed Forces of the US.
C	Qualified Ex-Felon	N/A	Family income 70% OR less of the Bureau of Labor Statistics lower living standard during the six months preceding the earlier of the month the income determination occurs OR the month in which the hiring date occurs.	Convicted of a felony under Federal or state law and hired within 1 year after the last date on which such individual was convicted or released from prison.
D	High Risk Youth	18 - 24 on hiring date	NONE	Lives in empowerment zone OR enterprise community and remains living there.
E	Vocational Rehabilitation Referral	NA	NONE	Physical or mental disability that results in a substantial handicap to employment who was under a state rehabilitation plan or program approved by the Dept. of Veterans Affairs..
F	Qualified Summer Youth	16 - 17 on hiring date	NONE	Lives in empowerment zone OR enterprise community. Works between May 1 and September 15 and has never worked for the employer before.
G	Qualified Food Stamp Recipient	18 - 24 on Hiring date	I am a member of a family that: • Received Food Stamps for the 6-month period ending on the hire date, • OR Received Food Stamps for at least 3 months of the last 5-month period ending on the hiring date. BUT is no longer eligible to receive them.	NONE

AMOUNT OF CREDIT: All but Summer Youth = 35% of $6,000 = (Maximum $2,100) Minimum of 180 days OR 400 hours.
Summer Youth = 35% of $3,000 = (Maximum $1,050) Minimum of 20 days OR 120 hours.

PROCESS: On or before the job offer date, Pre-Screening Notice form 8850 and ETA form 8469 must be completed, and signed by both employee and employer, then mailed to Boston before, or not later than the 21st day after the employee' start date.

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https://archive.org/details/workopportunityt00mass

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DIVISION OF EMPLOYMENT AND TRAINING
POLICY ON POWER OF ATTORNEY
WORK OPPORTUNITY TAX CREDIT PROGRAM

The Division of Employment and Training has an established policy concerning the exchange of Work Opportunity Tax Credit (WOTC) certifications with third party firms. A third party firm who represents an employer may directly receive the original WOTC certification provided a valid Power of Attorney is on file with the Division.

Form 2848-D is the official Power of Attorney form used by the Internal Revenue Service and is, therefore, the official document in Massachusetts. However, if a document other than Form 2848-D is used to grant Power of Attorney, that document must contain the same information required on Form 2848-D.

The following is necessary in order for the Power of Attorney to be valid:

1. The Taxpayer's name, address, (including zip code), IRS identification number and signature(s).

2. The representative's name and address and the names and signatures of all members of the firm authorized to represent the taxpayer. Only those signatures provided will be considered valid.

3. Specified years or periods to which the Power of Attorney relates. A general statement such as "indefinite" is not acceptable.

4. Notarizing or witnessing as required.

Prompt review to ensure that Powers of Attorney meet these requirements will help minimize any delays in the WOTC process.

The Power of Attorney is to be sent to the State WOTC Coordinator. It is the responsibility of the third party or the employer to ensure that the Power of Attorney and any subsequent changes which may occur are provided to the Division. In those instances where the Division has no current Power of Attorney the WOTC Certifications will be mailed to the employer.

10/9/96

WOTC DOCUMENTATION

Employers are required to have available documentation supporting each application for the desired WOTC target group. Use the information below as a guide when obtaining the necessary documentation. All documentation showing participation in a State Agency Program must be official in nature (i.e., it should come directly from the Agency).

Qualified IV-A Transitional Assistance for Families with Dependent Children (TAFDC) Recipient
Documentation must show that qualified IV-A Transitional Assistance for Families with Dependent Children (TAFDC) benefits were received for a nine (9) month period, any part of which was in the corresponding nine (9) months preceding the hire date. An TAFDC benefit history should be provided if possible.

Qualified Veterans
Documentation should include a copy of the applicant's DD-214 showing the length of service including the discharge date. TAFDC or Food Stamp documentation may be requested, showing the benefits received. TAFDC benefits must have been received for at least a 9-month period ending during the 12-month period ending on the hiring date. Food Stamp benefits must have been received for a least a 3-month period ending during the 12-month period ending on the hiring date.

Qualified Ex-Felons
Documentation must show that the applicant had a felony conviction under Federal or State Law and must provide the conviction and/or release date(s) The conviction or release date must have been within one year of the hire date. Additionally, income documentation is required for this target group for each family member in the household during the six month period prior to their hire date. The income must fall under the required allowable standards (outlined in the attached Lower Living Standard Income Levels).

High-risk Youth
Age documentation (birth certificate, driver's license, etc.) is required, showing the applicant is between 18 and 25 years of age. A current utility bill, telephone bill, driver's license, etc. is necessary to prove the applicant resides within a qualified empowerment zone or enterprise community.

Vocational Rehabilitation Referrals
Documentation must show that the applicant is or has been receiving rehabilitation services for a physical or mental disability that results in a substantial handicap to employment, and has an Individualized Written Rehabilitation Plan (WRP) through the state rehabilitation agency or a vocational rehabilitation program carried out by the Veterans Administration (Chapter 31 of Title 38, U.S. Code).

Qualified Summer Youth Employees
An individual who performs services for the employer between May 1 and September 15, has attained age 16 but not age 18 on the hiring date (or if later, on May 1), has never worked for the employer before, and lives in an empowerment zone or enterprise community. The parent or guardian's signature is required on the ETA Form 8469.

Qualified Food Stamp Recipients
Age documentation (birth certificate, driver's license, etc.) is required, showing the applicant is between 18 and 25 years of age. Food Stamp documentation may be requested, showing benefits were received for the 6-month period ending on the hiring date, or that benefits were received for at least 3 months of the 5-month period ending on the hiring date, in the case of a family member who ceases to be eligible for such assistance. A Food Stamp benefit history should be available.

Form **8850**
(September 1996)
Department of the Treasury
Internal Revenue Service

Work Opportunity Credit Pre-Screening Notice and Certification Request

OMB No. 1545-1500

Job Applicant Information

Name _____ Social security number ► _____

Street address where you live _____

City or town, state, and ZIP code _____

Date of birth (month, day, year) ___/___/___ Telephone no. (___) ___-_____

1 If you received a conditional certification from the state employment security agency (SESA) or a participating local agency, check the box on this line, skip item 2, and sign below . . . . . ► ☐

2 Do any of the following statements apply to you? . . . . . ☐ Yes ☐ No

a I am a member of a family that has received assistance from Aid to Families with Dependent Children (AFDC) or a successor program for at least a 9-month period within the last 18 months.

b I am a veteran and am a member of a family that received:
- Assistance from AFDC or a successor program for at least a 9-month period within the last 21 months, OR
- Food stamps for at least a 3-month period within the last 15 months.

c I was referred here by a rehabilitation agency approved by the state or the Department of Veterans Affairs.

d I am a member of a family that:
- Received food stamps for the last 6 months, OR
- Received food stamps for at least 3 of the last 5 months, BUT is no longer eligible to receive them.

e I was convicted of a felony AND within the past year was either convicted or released from prison AND during the last 6 months I was a member of a low-income family.

Under penalties of perjury, I declare that I gave the above information to the employer on or before the day I was offered a job, and it is, to the best of my knowledge, true, correct, and complete.

Job applicant's signature ► _____ Date ___/___/___

For Employer's Use Only

Employer's name _____ Telephone no. (___) ___-_____ EIN ► _____

Street address _____

City or town, state, and ZIP code _____

Person to contact, if different from above _____ Telephone no. (___) ___-_____

Street address _____

City or town, state, and ZIP code _____

If, based on the individual's age and home address, he or she is a member of group 4 or 6 (as described under **Members of Targeted Groups** on page 2), enter that group number (4 or 6) . . . . . ► ____

DATE OF: Interview ___/___/___ Job offer ___/___/___ Hiring ___/___/___ Job starting ___/___/___

Under penalties of perjury, I declare that I completed this form on or before the day a job was offered to the applicant and that the information I have furnished is, to the best of my knowledge, true, correct, and complete. Based on the information the job applicant furnished above, I believe the individual is a member of a targeted group. I hereby request a certification that the individual is a member of a targeted group.

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Privacy Act and Paperwork Reduction Act Notice

Section 51(d)(11) permits a prospective employer to request you to complete this form and give it to the prospective employer. The information will be used by the employer to complete the employer's federal tax return. You are not required to complete this form, but failure to do so may affect your chances of being hired. Routine uses of this form include giving it to the state employment security agency (SESA), which will contact appropriate sources to confirm that you are a member of one of the targeted groups you indicated on the form. This form may also be given to the Internal Revenue Service for administration of the Internal Revenue laws, to the Department of Justice for civil and criminal litigation, to the Department of Labor for oversight of the certifications performed by the SESA, and to cities, states, and the District of Columbia for use in administering their tax laws.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The times needed to complete and file this form will vary depending on individual circumstances. The estimated average time is:

Recordkeeping	2 hr., 32 min.
Learning about the law or the form.	37 min.
Preparing and sending this form to the SESA	33 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Tax Forms Committee, Western Area Distribution Center, Rancho Cordova, CA 95743-0001.

DO NOT send this form to this address. Instead, see When and Where To File later.

Purpose of Form

Employers use Form 8850 to pre-screen and as a written request to a SESA to certify an individual as a member of a targeted group for purposes of qualifying for the work opportunity credit. The work opportunity credit applies only in the case of individuals who begin work for the employer after September 30, 1996, and before October 1, 1997. See the 1996 Form 5884, Work Opportunity Credit, for more details.

Who Should Complete and Sign the Form

The job applicant furnishes information to the employer on or before the day a job offer is made. This information is entered on Form 8850. Based on this information, the employer determines whether or not he or she believes the applicant is a member of a targeted group (as defined under Members of Targeted Groups below). If the employer believes the applicant is a member of a targeted group, the employer completes the rest of the form no later than the day the job offer is made. Both the job applicant and employer must sign Form 8850 no later than the date for submitting the form to the SESA.

Instructions for Employer

When and Where To File

Do not file Form 8850 with the IRS. Instead, submit it to the SESA no later than the 21st day after the job applicant begins work for the employer.

Recordkeeping

Keep copies of Forms 8850, along with any transmittal letters that you submit to the SESA, as long as they may be needed for the administration of the Internal Revenue Code provisions relating to the work opportunity credit. Records that support this credit usually must be kept for 3 years from the date any income tax return claiming the credit is due or filed, whichever is later.

Members of Targeted Groups

A job applicant may be certified as a member of a targeted group if he or she is:

1. A member of a family receiving assistance under a state plan approved under part A of title IV of the Social Security Act relating to Aid to Families with Dependent Children (AFDC) or any successor program. Generally, the assistance must be received for at least a 9-month period during the 18 months ending on the hiring date. See section 51(d)(2).

2. A veteran who is a member of a family receiving assistance under either (a) the program described in 1 above for generally at least a 9-month period during the 21 months ending on the hiring date or (b) the Food Stamp program for generally at least a 3-month period during the 15 months ending on the hiring date. See section 51(d)(3). To be considered a veteran, the applicant must (a) have served on active duty (not including training) in the Armed Forces of the United States for more than 180 days OR have been discharged for a service-connected disability, AND (b) not have a period of active duty (not including training) of more than 90 days that ended during the 60 days ending on the hiring date.

3. An ex-felon who (a) has been convicted of a felony under any Federal or state law, (b) is hired not more than 1 year after the latest conviction or release from prison, and (c) is a member of a family that had income on an annual basis of 70% or less of the Bureau of Labor Statistics lower living standard during the 6 months preceding the earlier of the month the income determination occurs or the month in which the hiring date occurs.

4. An individual who has attained age 18 but not age 25 on the hiring date and lives in an empowerment zone or enterprise community.

The Secretary of Housing and Urban Development (HUD) designated portions of the following cities as urban empowerment zones: Atlanta, GA (9.29 square miles); Baltimore, MD (6.8 square miles); Philadelphia, PA/Camden, NJ (4.4 square miles); Chicago, IL (14.33 square miles); Detroit, MI (18.3 square miles); and New York City, NY (Manhattan and the Bronx) (7.8 square miles). The Secretary of Agriculture (USDA) designated the following rural empowerment zones: the Kentucky Highlands (counties of Clinton, Jackson, and Wayne); Mid-Delta, Mississippi (counties of Bolivar, Sunflower, Leflore, Washington, Humphreys, and Holmes); and Rio Grande Valley, Texas (counties of Starr, Cameron, Hidalgo, and Willacy). The boundaries of the rural empowerment zones follow the boundaries of these counties. There are 65 urban and 30 rural enterprise communities located in 35 states and the District of Columbia. There are no empowerment zones or enterprise communities in Puerto Rico, Guam, or any U.S. possession.

You may call HUD at 1-800-998-9999 for information on the six urban empowerment zones, or the USDA at 1-800-645-4712 about the rural empowerment zones. On the Internet, you can find the EZ/EC Home Page at http://www.ezec.gov. Your local SESA has information on where the enterprise communities are located. Also, many enterprise communities have their own web sites.

5. An individual who has a physical or mental disability that results in a substantial handicap to employment and who was referred to the employer upon completion of (or while receiving) rehabilitation services under a state rehabilitation plan or a program approved by the Department of Veterans Affairs.

6. An individual who performs services for the employer between May 1 and September 15, has attained age 16 but not age 18 on the hiring date (or if later, on May 1), has never worked for the employer before, and lives in an empowerment zone or enterprise community.

7. An individual who has attained age 18 but not age 25 who is a member of a family that has received food stamps for the 6-month period ending on the hiring date or who is a member of a family no longer eligible for such assistance under section 6(o) of the Food Stamp Act of 1977 and the family received food stamps for at least 3 months of the 6-month period

Individual Characteristics Form
Work Opportunity Tax Credit

U.S. Department of Labor
Employment and Training Administration
U.S. Employment Service

1. CONTROL NO. (For Agency Use Only)	Individual Information (Instructions on the Back)	OMB Control No.: 1205-0374 Expires: 03/31/97
		2. DATE RECEIVED (For Agency Use Only)

3. EMPLOYER NAME/ADDRESS	4. EMPLOYER TAX EIN NO.	5. EMPLOYER STATE NO.
	6. Have you worked for the above employer before? Yes ____ No ____	Starting Wage: $ _____ per hour POSITION:
7. NAME OF INDIVIDUAL (Last, First, Middle)		8. SOCIAL SECURITY NUMBER:

9. Is your age between 16 - 25? Yes ____ No ____ If YES, indicate your "Date of Birth" below: Date of Birth	10a. Is a veteran and a member of a family that received AFDC (TANF) for a period of at least 9 months in the last 21 months. Yes ____ No ____ If YES, also complete Box 16.	10b. Is a veteran and a member of a family that received Food Stamps for a period of a least 3 months in the last 15 months. Yes ____ No ____ If YES, also complete Box 16.
11. Is a member of a family that received AFDC (TANF) benefits for a period of at least 9 months in the last 18 months. Yes ____ No ____ If YES, also complete Box 16.	12. Is a member of a family that received Food Stamps for the last 6 months. Yes ____ No ____ or If YES, also complete Box 16. for at least a consecutive 3-month period within the last 6 months, BUT is no longer receiving them? Yes ____ No ____ If YES, also complete Box 16.	13. In the past year has been convicted of a felony or released from prison after a felony conviction. Yes ____ No ____ If NO, SKIP to Box 14. Date of Conviction _____ Date of Release _____
14. Lives and plans to continue living in a Federal Empowerment Zone or Enterprise Community. Yes ____ No ____	15. Is receiving or has received Rehabilitation Services through a State Rehabilitation Services program or the Veterans' Administration. Yes ____ No ____	Total income for the past 6 months for all family members living in the same household? Total Income: _____ (If No Income, Enter 0 above) No. of family members living in the same household for the past 6 months, including you: _____
16. If individual is not a primary recipient of benefits, please provide the following: Name of Primary Recipient _____ City/State of Benefits _____	17. SOURCES USED TO DOCUMENT ELIGIBILITY:	

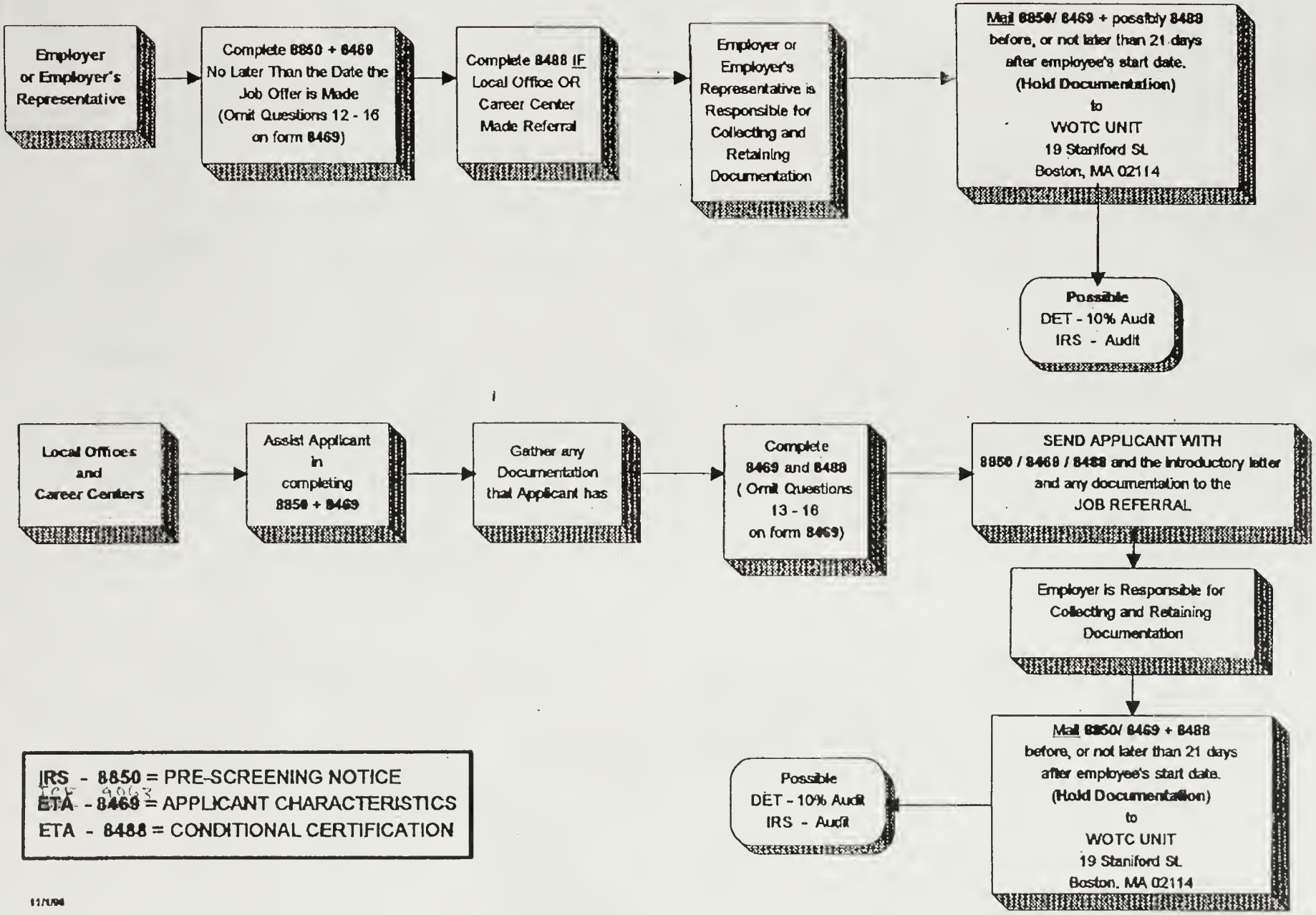
Note: I certify that the information is true and correct to the best of my knowledge. I understand that the information above may be subject to verification. The signature of the party completing this form is required below.

18. SIGNATURE:	19. DATE:

Persons are not required to respond to this collection of information unless it displays a currently valid OMB control number. Respondent's obligation to reply to these requirements are mandatory as required by P.L. 104-188. Public reporting burden for this collection of information is estimated to average 20 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the U.S. Department of Labor, U.S. Employment Service, Room 4470, Washington, D.C. 20210 (Paperwork Reduction Project 1205-0374).

WORK OPPORTUNITY TAX CREDIT PROGRAM (WOTC)

PROCESS - FLOW CHART



IRS - 8850 = PRE-SCREENING NOTICE
ETA - 8469 = APPLICANT CHARACTERISTICS
ETA - 8488 = CONDITIONAL CERTIFICATION

11/0/94